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## AGENCY OVERVIEW

### 801 Department of Transportation

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**Date:** 12/23/2014

**Time:** 13:29:53

#### Statutory Authority

North Dakota Century Code Sections 24-01 through 24-15, 39-02 and 49-17.1-2.

#### Agency Description

The North Dakota State Highway Department was created in 1917. In 1990, the name was changed to the North Dakota Department of Transportation (NDDOT). NDDOT oversees the development of surface transportation, including highways, bridges, and transit services in North Dakota. NDDOT's central office is in Bismarck, with eight district offices located strategically across the state.

NDDOT is headed by a director appointed by the Governor. The director is assisted by a deputy director for business support, a deputy director for engineering, and a deputy director of vehicle services. In addition, the central office staff provides planning, programming, design, construction, maintenance, safety, driver's license, motor vehicle and business support services.

#### Agency Mission Statement

The North Dakota Department of Transportation's mission is to safely move people and goods.

#### Agency Performance Measures

The NDDOT plans for projects and future transportation system needs through strategic planning which includes the development of performance measures. More information about the Department's strategic planning process is available on the NDDOT website at [www.dot.nd.gov](http://www.dot.nd.gov) and also published in the Transportation Handbook. The NDDOT's Strategic planning program includes the following:

**Vision:** North Dakota's Transportation Leader Promoting: Safe Ways, Superior Service and Economic Growth

#### Strategic Emphasis Areas:

- Safety
- Service
- Team
- Assets
- Innovation

#### Major Accomplishments

1. Completed two of the largest construction seasons in state history in 2013-15 biennium investing \$1.60 billion on state highways. The Department biennial budget of approximately \$2.30 billion was utilized to provide transportation and motorist services, as well as maintain and improve state highways.
2. Invested approximately \$280.0 million in county road improvements.
3. Completed major construction projects including:
  - the first two phases of constructing a four-lane highway on US 85 from Watford City to County Road 16.
  - truck bypasses and truck reliever routes around the following communities: Watford City–US 85 Southwest and ND 23 Southeast; Alexander; New Town; Dickinson–Interim Bypass; and Williston–first phase of Northwest Bypass.
  - widening projects on highways ND 8, ND 22, ND 23 and US 85.
  - expediting repairs on damaged pavement of several state highways.
  - several road projects in Williston, Dickinson, Bismarck, Minot, Devils Lake, Valley City, Grand Forks and Fargo Districts.

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**AGENCY OVERVIEW****801 Department of Transportation**

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**Date:** 12/23/2014**Time:** 13:29:53**Future Critical Issues**

**Future of Federal Highway Funding:** At the time of budget submittal the future of federal funding is uncertain. Congress recently passed legislation that appropriated funding for 10 weeks into the new federal fiscal year (through December 11, 2014). North Dakota will be provided obligational authority for approximately \$45.0 million for 2015. The current transportation funding MAP-21 program was also extended to only May 31, 2015. This situation results in considerable uncertainty as to the level of federal funding as we prepare our budget and revenue estimates for the upcoming biennium. The picture of federal funding is changing. Currently the federal highway trust fund is taking in less through its expenditures. The funding shortfall has been created mainly because vehicle fuel economy has increased and many people have stopped driving or use transit during the recent economic downturn.

**North Dakota's Transportation Infrastructure:** The increased traffic due to the rapidly expanding industries has created significant impacts to roadways across the entire state. The number of miles driven on state highways has increased. From 2010-12 North Dakota saw a 22.0 percent increase in traffic statewide and a 53% increase in traffic in western North Dakota. Traffic growth remains at high levels in 2013 and 2014. Roads and bridges are deteriorating at a much quicker rate than expected. Maintenance crews struggle to stay ahead of the substantial amount of areas needing repair. Load restrictions are being implemented to protect the remaining transportation infrastructure.

**Roadway Maintenance Safety Items:** The NDDOT is faced with increasing demands for expanded snow and ice control, especially in oil impact and urban areas. On top of this is the increasing cost of salt and other materials for snow and ice control.

NDDOT is faced with increasingly difficult environmental regulations regarding materials used to paint center and edge lines on the roadways. As a result, we have had to resort to more environmentally friendly products which do not hold up as well as their predecessors. To provide for safe and visible driving lanes, we must resort to a pavement marking program that requires all center and edge lines to be painted every year.

# REQUEST SUMMARY

801 Department of Transportation  
Biennium: 2015-2017

Bill#: HB1012

Date: 12/23/2014

Time: 13:29:53

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>By Major Program</b>					
Administration	37,710,243	52,423,646	(2,969,657)	49,453,989	0
Drivers and Vehicle Services	33,616,969	53,974,508	(1,939,945)	52,034,563	0
Highways	1,764,040,550	3,147,007,041	(2,084,473,139)	1,062,533,902	1,362,027,821
Fleet Services	70,001,370	85,560,797	247,059	85,807,856	1,000,000
<b>Total Major Program</b>	<b>1,905,369,132</b>	<b>3,338,965,992</b>	<b>(2,089,135,682)</b>	<b>1,249,830,310</b>	<b>1,363,027,821</b>
<b>By Line Item</b>					
Salaries and Wages	168,050,866	189,016,797	7,651,330	196,668,127	7,428,263
Accrued Leave Payments	0	7,280,897	(7,280,897)	0	0
Operating Expenses	243,530,694	250,905,955	44,856,796	295,762,751	175,484,000
Capital Assets	1,169,461,865	858,421,223	(163,939,821)	694,481,402	1,179,115,558
Capital Improvements-Carryover	12,702,782	13,323,437	(13,323,437)	0	0
Road Reconstruction Program	60,890,347	1,100,709,653	(1,100,709,653)	0	0
Grants	85,921,960	89,788,030	(26,870,000)	62,918,030	1,000,000
County & Township Road Program	142,000,000	160,000,000	(160,000,000)	0	0
Non-Oil Producing Counties	0	120,000,000	(120,000,000)	0	0
Federal Stimulus Funds - 2009	22,810,618	0	0	0	0
General Fund Transfer	0	542,700,000	(542,700,000)	0	0
General License Plate Issue	0	6,820,000	(6,820,000)	0	0
<b>Total Line Items</b>	<b>1,905,369,132</b>	<b>3,338,965,992</b>	<b>(2,089,135,682)</b>	<b>1,249,830,310</b>	<b>1,363,027,821</b>
<b>By Funding Source</b>					
General Fund	98,463,957	1,406,401,940	(1,406,401,940)	0	1,355,115,558
Federal Funds	885,568,091	691,487,199	(76,826,712)	614,660,487	0
Special Funds	921,337,084	1,241,076,853	(605,907,030)	635,169,823	7,912,263
<b>Total Funding Source</b>	<b>1,905,369,132</b>	<b>3,338,965,992</b>	<b>(2,089,135,682)</b>	<b>1,249,830,310</b>	<b>1,363,027,821</b>
<b>Total FTE</b>	<b>1,063.50</b>	<b>1,079.50</b>	<b>0.00</b>	<b>1,079.50</b>	<b>2.00</b>

**REQUEST DETAIL**

801 Department of Transportation  
Biennium: 2015-2017

Bill#: HB1012

Date: 12/23/2014

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>Salaries and Wages</b>					
Salaries - Permanent	112,244,788	124,660,131	4,915,654	129,575,785	274,728
Salaries - Other	460,542	236,300	(196,300)	40,000	7,050,840
Temporary Salaries	3,206,391	4,354,304	221,700	4,576,004	0
Overtime	8,356,759	8,368,681	(25,401)	8,343,280	0
Fringe Benefits	43,782,386	51,397,381	2,735,677	54,133,058	102,695
<b>Total</b>	<b>168,050,866</b>	<b>189,016,797</b>	<b>7,651,330</b>	<b>196,668,127</b>	<b>7,428,263</b>
<b>Salaries and Wages</b>					
General Fund	0	0	0	0	0
Federal Funds	25,638,047	24,627,098	(912,380)	23,714,718	0
Special Funds	142,412,819	164,389,699	8,563,710	172,953,409	7,428,263
<b>Total</b>	<b>168,050,866</b>	<b>189,016,797</b>	<b>7,651,330</b>	<b>196,668,127</b>	<b>7,428,263</b>
<b>Accrued Leave Payments</b>					
Salaries - Permanent	0	7,280,897	(7,280,897)	0	0
<b>Total</b>	<b>0</b>	<b>7,280,897</b>	<b>(7,280,897)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	7,280,897	(7,280,897)	0	0
<b>Total</b>	<b>0</b>	<b>7,280,897</b>	<b>(7,280,897)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	35,780,374	40,071,852	(71,756)	40,000,096	484,000
Supplies - IT Software	450,077	2,088,537	124,300	2,212,837	0
Supply/Material-Professional	158,436	212,154	0	212,154	0
Food and Clothing	6,182	71,900	0	71,900	0
Bldg, Ground, Maintenance	49,626,481	82,935,780	35,713,309	118,649,089	0
Miscellaneous Supplies	2,815,154	3,833,530	427,388	4,260,918	0
Office Supplies	623,241	652,894	0	652,894	0
Postage	1,543,775	1,894,651	185,000	2,079,651	0
Printing	911,634	913,312	0	913,312	0
IT Equip Under \$5,000	1,073,387	1,722,812	0	1,722,812	0
Other Equip Under \$5,000	1,900,765	2,237,358	0	2,237,358	0
Utilities	4,739,580	4,688,368	0	4,688,368	0
Insurance	1,612,977	1,711,124	80,000	1,791,124	0
Rentals/Leases-Equip & Other	793,926	597,062	15,000	612,062	0

**REQUEST DETAIL**

801 Department of Transportation  
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Rentals/Leases - Bldg/Land	540,498	3,601,272	125,000	3,726,272	0
Repairs	16,774,953	14,353,040	0	14,353,040	0
IT - Data Processing	7,533,343	11,853,847	898,060	12,751,907	0
IT - Communications	1,465,414	1,263,527	308,250	1,571,777	0
IT Contractual Srvcs and Rprs	2,494,781	11,877,639	408,930	12,286,569	0
Professional Development	1,000,757	1,450,753	(100,000)	1,350,753	0
Operating Fees and Services	3,511,832	4,027,906	180,000	4,207,906	0
Fees - Professional Services	108,173,127	58,846,637	6,563,315	65,409,952	175,000,000
<b>Total</b>	<b>243,530,694</b>	<b>250,905,955</b>	<b>44,856,796</b>	<b>295,762,751</b>	<b>175,484,000</b>

**Operating Expenses**

General Fund	0	0	0	0	175,000,000
Federal Funds	59,800,606	51,129,441	1,000,000	52,129,441	0
Special Funds	183,730,088	199,776,514	43,856,796	243,633,310	484,000
<b>Total</b>	<b>243,530,694</b>	<b>250,905,955</b>	<b>44,856,796</b>	<b>295,762,751</b>	<b>175,484,000</b>

**Capital Assets**

Operating Fees and Services	34,988,548	0	0	0	0
Land and Buildings	7,725,779	19,603,138	(8,705,738)	10,897,400	0
Other Capital Payments	1,092,611,906	786,950,168	(146,269,310)	640,680,858	1,179,115,558
Extraordinary Repairs	588,964	6,009,600	(6,009,600)	0	0
Equipment Over \$5000	908,745	534,780	0	534,780	0
Motor Vehicles	32,607,648	45,110,037	(3,000,000)	42,110,037	0
IT Equip/Sftware Over \$5000	30,275	213,500	44,827	258,327	0
<b>Total</b>	<b>1,169,461,865</b>	<b>858,421,223</b>	<b>(163,939,821)</b>	<b>694,481,402</b>	<b>1,179,115,558</b>

**Capital Assets**

General Fund	35,812,706	4,500,000	(4,500,000)	0	1,179,115,558
Federal Funds	705,989,424	543,572,722	(61,744,332)	481,828,390	0
Special Funds	427,659,735	310,348,501	(97,695,489)	212,653,012	0
<b>Total</b>	<b>1,169,461,865</b>	<b>858,421,223</b>	<b>(163,939,821)</b>	<b>694,481,402</b>	<b>1,179,115,558</b>

**Capital Improvements-Carryover**

Bldg, Ground, Maintenance	4,296,463	0	0	0	0
Repairs	24,536	0	0	0	0
Other Capital Payments	6,022,290	13,323,437	(13,323,437)	0	0
Motor Vehicles	2,359,493	0	0	0	0
<b>Total</b>	<b>12,702,782</b>	<b>13,323,437</b>	<b>(13,323,437)</b>	<b>0</b>	<b>0</b>

**REQUEST DETAIL**

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>Capital Improvements-Carryover</b>					
General Fund	0	3,272,287	(3,272,287)	0	0
Federal Funds	0	0	0	0	0
Special Funds	12,702,782	10,051,150	(10,051,150)	0	0
<b>Total</b>	<b>12,702,782</b>	<b>13,323,437</b>	<b>(13,323,437)</b>	<b>0</b>	<b>0</b>
<b>Road Reconstruction Program</b>					
Salaries - Permanent	741,317	0	0	0	0
Salaries - Other	651	0	0	0	0
Temporary Salaries	5,653	0	0	0	0
Overtime	22,177	0	0	0	0
Travel	56,247	207,000	(207,000)	0	0
Miscellaneous Supplies	23	200	(200)	0	0
Office Supplies	0	2,100	(2,100)	0	0
Rentals/Leases - Bldg/Land	0	9,500	(9,500)	0	0
IT - Data Processing	0	2,200	(2,200)	0	0
Operating Fees and Services	104,702	837,000	(837,000)	0	0
Fees - Professional Services	13,884,538	149,996,733	(149,996,733)	0	0
Land and Buildings	2,640,913	83,358,487	(83,358,487)	0	0
Other Capital Payments	43,432,526	864,296,433	(864,296,433)	0	0
Extraordinary Repairs	1,600	2,000,000	(2,000,000)	0	0
<b>Total</b>	<b>60,890,347</b>	<b>1,100,709,653</b>	<b>(1,100,709,653)</b>	<b>0</b>	<b>0</b>
<b>Road Reconstruction Program</b>					
General Fund	60,890,347	559,109,653	(559,109,653)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	541,600,000	(541,600,000)	0	0
<b>Total</b>	<b>60,890,347</b>	<b>1,100,709,653</b>	<b>(1,100,709,653)</b>	<b>0</b>	<b>0</b>
<b>Grants</b>					
Grants, Benefits & Claims	83,329,711	86,388,030	(25,420,000)	60,968,030	0
Transfers Out	2,592,249	3,400,000	(1,450,000)	1,950,000	1,000,000
<b>Total</b>	<b>85,921,960</b>	<b>89,788,030</b>	<b>(26,870,000)</b>	<b>62,918,030</b>	<b>1,000,000</b>
<b>Grants</b>					
General Fund	1,760,904	10,000,000	(10,000,000)	0	1,000,000
Federal Funds	71,329,396	72,157,938	(15,170,000)	56,987,938	0
Special Funds	12,831,660	7,630,092	(1,700,000)	5,930,092	0
<b>Total</b>	<b>85,921,960</b>	<b>89,788,030</b>	<b>(26,870,000)</b>	<b>62,918,030</b>	<b>1,000,000</b>

**REQUEST DETAIL**801 Department of Transportation  
Biennium: 2015-2017

Bill#: HB1012

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>County &amp; Township Road Program</b>					
Other Capital Payments	4,000,000	0	0	0	0
Grants, Benefits & Claims	138,000,000	160,000,000	(160,000,000)	0	0
<b>Total</b>	<b>142,000,000</b>	<b>160,000,000</b>	<b>(160,000,000)</b>	<b>0</b>	<b>0</b>
<b>County &amp; Township Road Program</b>					
General Fund	0	160,000,000	(160,000,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	142,000,000	0	0	0	0
<b>Total</b>	<b>142,000,000</b>	<b>160,000,000</b>	<b>(160,000,000)</b>	<b>0</b>	<b>0</b>
<b>Non-Oil Producing Counties</b>					
Grants, Benefits & Claims	0	120,000,000	(120,000,000)	0	0
<b>Total</b>	<b>0</b>	<b>120,000,000</b>	<b>(120,000,000)</b>	<b>0</b>	<b>0</b>
<b>Non-Oil Producing Counties</b>					
General Fund	0	120,000,000	(120,000,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>120,000,000</b>	<b>(120,000,000)</b>	<b>0</b>	<b>0</b>
<b>Federal Stimulus Funds - 2009</b>					
Salaries - Permanent	4,192	0	0	0	0
Fees - Professional Services	391,459	0	0	0	0
Other Capital Payments	17,308,391	0	0	0	0
Grants, Benefits & Claims	5,106,576	0	0	0	0
<b>Total</b>	<b>22,810,618</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Federal Stimulus Funds - 2009</b>					
General Fund	0	0	0	0	0
Federal Funds	22,810,618	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>22,810,618</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Fund Transfer</b>					
Other Capital Payments	0	541,600,000	(541,600,000)	0	0
Transfers Out	0	1,100,000	(1,100,000)	0	0
<b>Total</b>	<b>0</b>	<b>542,700,000</b>	<b>(542,700,000)</b>	<b>0</b>	<b>0</b>

**REQUEST DETAIL**

801 Department of Transportation  
Biennium: 2015-2017

Bill#: HB1012

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>General Fund Transfer</b>					
General Fund	0	542,700,000	(542,700,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>542,700,000</b>	<b>(542,700,000)</b>	<b>0</b>	<b>0</b>
<b>General License Plate Issue</b>					
Operating Fees and Services	0	6,820,000	(6,820,000)	0	0
<b>Total</b>	<b>0</b>	<b>6,820,000</b>	<b>(6,820,000)</b>	<b>0</b>	<b>0</b>
<b>General License Plate Issue</b>					
General Fund	0	6,820,000	(6,820,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>6,820,000</b>	<b>(6,820,000)</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>					
General Fund	98,463,957	1,406,401,940	(1,406,401,940)	0	1,355,115,558
Federal Funds	885,568,091	691,487,199	(76,826,712)	614,660,487	0
Special Funds	921,337,084	1,241,076,853	(605,907,030)	635,169,823	7,912,263
<b>Total Funding Sources</b>	<b>1,905,369,132</b>	<b>3,338,965,992</b>	<b>(2,089,135,682)</b>	<b>1,249,830,310</b>	<b>1,363,027,821</b>



**CHANGE PACKAGE SUMMARY**

801 Department of Transportation

Biennium: 2015-2017

Bill#: HB1012

Date: 12/23/2014

Time: 13:29:53

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b><u>Base Budget Changes</u></b>						
<b>One Time Budget Changes</b>						
A-B 5 IT - Maintenance Management System (MMS)		0.00	0	0	589,000	589,000
A-E 3 Remove Prior Biennium One-Time		0.00	(1,406,401,940)	0	(552,985,406)	(1,959,387,346)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(1,406,401,940)</b>	<b>0</b>	<b>(552,396,406)</b>	<b>(1,958,798,346)</b>
<b>Ongoing Budget Changes</b>						
A-A 1 Base Budget Changes-Reallocations and adjustment		0.00	0	467,658,390	255,555,064	723,213,454
A-F 2 Remove Capital		0.00	0	(543,572,722)	(310,348,501)	(853,921,223)
Base Payroll Change		0.00	0	(912,380)	1,282,813	370,433
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>(76,826,712)</b>	<b>(53,510,624)</b>	<b>(130,337,336)</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>(1,406,401,940)</b>	<b>(76,826,712)</b>	<b>(605,907,030)</b>	<b>(2,089,135,682)</b>
<b><u>Optional Budget Changes</u></b>						
<b>One Time Optional Changes</b>						
A-D 7 Enhanced State Infrastructure Investments	1	0.00	1,354,115,558	0	0	1,354,115,558
A-D 100 Oil Patch Add On	2	0.00	0	0	7,534,840	7,534,840
A-D 6 Motor Coaches	4	0.00	1,000,000	0	0	1,000,000
<b>Total One Time Optional Changes</b>		<b>0.00</b>	<b>1,355,115,558</b>	<b>0</b>	<b>7,534,840</b>	<b>1,362,650,398</b>
<b>Ongoing Optional Changes</b>						
A-C 4 Additional FTE	3	2.00	0	0	377,423	377,423
<b>Total Ongoing Optional Changes</b>		<b>2.00</b>	<b>0</b>	<b>0</b>	<b>377,423</b>	<b>377,423</b>
<b>Total Optional Budget Changes</b>		<b>2.00</b>	<b>1,355,115,558</b>	<b>0</b>	<b>7,912,263</b>	<b>1,363,027,821</b>

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<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 1	<b>Priority:</b>
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Base Budget Changes-Reallocations and adjustments to the DOT

**CHANGE PACKAGE - BASE BUDGET REQUEST:**

The base budget request consists of our 2013-2015 appropriated state budget less any one-time revenue infusions, and adjustments based on current revenue forecasts. These budget amounts were adjusted for the payroll "cost to continue". Other base budget adjustments are for budgetary realignment.

<b>Change Group:</b> A	<b>Change Type:</b> B	<b>Change No:</b> 5	<b>Priority:</b>
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IT - Maintenance Management System (MMS)

This new system will automate and improve the information that is needed to make both fiscal and operational decisions. A software system that could provide accurate timely information on costs of maintenance operations would result in a huge savings, and allow the following additional benefits: improve efficiency and service, enhance the ability to respond to customer information requests, identify best practices, and enhance predictive modeling capabilities for engineering projects.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 4	<b>Priority:</b> 3
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Additional FTE

Federal oversight has increased on storm water runoff on all types of construction projects throughout the state. Accordingly, NDDOT is requesting the following additional FTE.

- One Environmental Scientist III – There is considerable growth in the NDDOT's storm water program along with additional required federal oversight. Accordingly, we are requesting an Environmental Scientist to help us in this area, which includes developing erosion control design standards, providing guidance to field engineering staff on erosion control best management practices, conducting field inspections of construction projects and district maintenance yards, reviewing plans for storm water requirements, and conducting storm water training.
- Recently there has been a nationwide emphasis on storm water and other environmental issues on road projects. Some states have been fined for highway environmental issues, while NDDOT was sanctioned in the past and a North Dakota contractor was served a notice from the Environmental Protection Agency.

Due to increased traffic numbers throughout the state, the NDDOT is widening roadways to add turning lanes and shoulders. To complete this type of road work, the Department needs to ensure the project is not impacting cultural resources not only on state highways but also on county roads. Accordingly, NDDOT is requesting the following additional FTE.

- One Archaeologist II - This position will provide project management of system cultural resource projects and surveys, obtain section clearances, assist with tribal consultation and with material source review and approval, and maintain technical proficiency in this field of work.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 6	<b>Priority:</b> 4
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**BUDGET CHANGES NARRATIVE****801 Department of Transportation****Bill#: HB1012****Date:** 12/23/2014**Time:** 13:29:53**Motor Coaches**

In the past years, the State Fleet incurred very substantial capital and operating costs to provide a fleet of motor coaches for the higher education institutions. Unfortunately, as time progressed, most of the higher education institutions were unable to utilize the motor coaches enough to enable the fleet to recover the associated costs while maintaining a feasible usage rate.

It was decided among all parties (or agencies) of the state fleet group that it was in the best interest of the group to discontinue motor coach fleet services. Unfortunately, not all costs will be recovered in the sale of the motor coaches.

The State Fleet cannot pass this loss to any other vehicle groups; that would be unallowable per federal regulations. Therefore, any ending deficit in the group must be covered by another source. Accordingly, the state fleet is requesting a transfer of \$1.0 million to cover the anticipated loss in the motor coach group.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 7	<b>Priority:</b> 1
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**Enhanced State Infrastructure Investments**

The Governor and Legislature recognized the importance of the transportation system in North Dakota. They invested \$2.3 billion for state highways, county roads and city streets in the 2013-15 biennium. As a result of continued traffic growth across the state, the NDDOT is proposing \$1.35 billion to be invested for state highways in the 2015-17 biennium.

Even though NDDOT committed \$1.6 billion in road projects during 2013-15 biennium, there is much more work that needs to be completed over the next two years throughout North Dakota. Some of the projects include:

- Dickinson Bypass Phase 2
- New Town Northwest Bypass
- Williston Northeast Bypass
- Killdeer Bypass
- Construction work is needed on several state highways and rural roadways across the entire state to provide a safe transportation system for motorists throughout North Dakota.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 100	<b>Priority:</b> 2
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**Oil Patch Add On**

The NDDOT continues to experience significant staffing difficulties in retaining and hiring employees in the oil patch area of western North Dakota.

- The employee classifications that have been the most difficult to retain and hire are our maintenance employees, district shop staff, telecommunications technicians and drivers license examiners.
- Continue to lose transportation technicians/snow plow operators and shop personnel to western ND jobs.
- This has placed severe pressure on employees that are already spread thin.
- The Department has offered retention and recruitment bonuses in these classifications with some initial success, but currently these bonuses no longer seem to be effective in western North Dakota.
- This is a critical time for the Department, so we need to look at new ways to retain employees.

**We are implementing an Oil Patch Add On salary provision to:**

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- Address the higher cost of labor in the oil patch districts.
- Focus very limited funding resources on areas of greatest need.
- Enable NDDOT to be more competitive in the highly competitive, ever shrinking oil patch recruitment markets.
- Implement a positive impact on oil patch district employee retention.
- Preserve the integrity of the Department's employee salary market target structure.

**Oil Patch Add On Pay Details**

The application of Oil Patch Add On Pay is based on geographic location and critical need service areas of the Department.

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 3	<b>Priority:</b>
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Remove Prior Biennium One-Time

Remove prior biennium one-time

<b>Change Group:</b> A	<b>Change Type:</b> F	<b>Change No:</b> 2	<b>Priority:</b>
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Remove Capital

Remove current capital budget.

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 1	<b>Priority:</b>
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Additional FTE

Provides funding for 1.00 FTE archealogist position and 1.00 FTE environmental scientist position.

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 100	<b>Priority:</b>
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Executive compensation adjustment package

This budget change provides funding for recommended 2015-17 compensation adjustments.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 1	<b>Priority:</b>
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Enhanced state infrastructure investments

Provides funding from the general fund for enhanced state infrastructure investments.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 2	<b>Priority:</b>
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Motor Coaches

Provides funding for of \$1.0 million to cover the anticipated losses in discontinuing the motor coach group due to under use.

**BUDGET CHANGES NARRATIVE**

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<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 3	<b>Priority:</b>
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Recreational road access

Provides one-time funding of \$5 million from the general fund for improvements to roads leading to recreational areas.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 4	<b>Priority:</b>
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County roads

Provides one-time funding of \$100 million from the general fund for road needs in non-oil producing counties.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 5	<b>Priority:</b>
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VRTS

Provides funding from other funds to continue the motor vehicle registration and titling system (VRTS) replacement project.